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EXAMINER
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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 RECORD OF ORAL HEARING  
2  
3 UNITED STATES PATENT AND TRADEMARK OFFICE  
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5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8  
9

10 *Ex parte* RYAN LANCE LEVIN, ET AL.  
11  
12

13 Appeal No. 2010-008087  
14 Application No. 09/982,274  
15 Technology Center 3600  
16  
17

18 Oral Hearing Held: October 26, 2011  
19  
20

21 | Before MURRIEL CRAWFORD, BIBHU R. MOHANTY and MICHAEL  
22 W. KIM, *Administrative Patent Judges*.  
23

24 APPEARANCES:

25  
26 ON BEHALF OF THE APPELLANT:

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35 The above-entitled matter came on for hearing on Wednesday,  
36 October 26, 2011, commencing at 9:16 a.m., at the U.S. Patent and  
37 Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Deborah  
38 Rinaldo, Notary Public.  
39

P R O C E E D I N G S

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MR. GIBBONS: What I want to do is talk about three things with this case, please. The first aspect of this is what this case is about. The second aspect is a new matter rejection. And the third aspect is a 103 rejection. They all kind of go together.

JUDGE CRAWFORD: Now, there's an objection to the specification. Is that what you are talking about?

MR. GIBBONS: Yes.

JUDGE CRAWFORD: That's not something that we would be deciding.

MR. GIBBONS: Okay. It's not -- that's fine. It's not really addressed in the 103. So let me bring that in that way. And if I'm going off bounds, please pull me back in.

Basically this case is about managing health care. It has to deal with trying to keep costs down doing two things, one, reduce the use of facilities; two, to encourage healthy living.

The real party in interest is Discovery Limited out of South Africa. They have a branch office in Chicago. The priority date of this application is 1999.

So with that goal, the way that this patent -- and I may have to do a little bit of walking, I guess -- accomplishes that is let me look at a claim and the language in question. I just want to point out to where I'm looking. It's this "wherein" clause.

This is important because one way to manage health care costs and whatnot is to have the insurer dictate the terms if your employees are going to be mandatorily opted into the plan.

1 And that's an important distinction, as you can see with the language here.  
2 The default setting is opted in for most cases so that you get all the employees  
3 participating. It doesn't take a lot of imagination to understand that more  
4 participation reduces health care costs.

5 So if I roll down with this a second, where I want to show how we're getting  
6 some of this is figure 1 of this shows that you can be compulsory or voluntary  
7 for opt in. Compulsory means that you are opted in.

8 This shows the flow of how it's loaded into the system and what goes there.

9 Figure 2 goes on to show how this decision can make. All in is compulsory,  
10 all out is disallowed. Some is voluntary, again looking at that claim element  
11 on what the support and background is in the specification.

12 This is the published application. It corresponds with the application as  
13 originally filed in South Africa. It's really important to look at paragraphs 27  
14 and 28. And it talks about how the employer, not the employee, makes this  
15 decision on who is opted in.

16 It also talks about after you meet a threshold and the way they encourage  
17 employees to participate is a point system much like mileage systems or other  
18 things you get with credit cards. So if you meet a minimum standard with a  
19 point system, you get some rewards.

20 The rewards can be decreased. And it's talked about in detail later on in your  
21 health insurance premium.

22 So having said all that, just going on showing other support on this, but I won't  
23 go through that, one thing that was interesting with this, there was a 132  
24 affidavit filed with this from UBS -- they are a big financial house, global  
25

1 financial house -- on why this opt in procedure is unique and what benefit  
2 it gives.

3 The analyst here is Michael Christellis. He signed the affidavit and if you can  
4 see what the affidavit is pointing to is one of the reasons for success with this  
5 plan in South Africa. I can see it's not the only reason, but if I go down to  
6 page 12 of this report, it is surely highlighted that forcing opt in and opt out is  
7 an important aspect of this invention.

8 The examiner, in the final office action, when looking at this looked at two  
9 references primarily, Douglas and Luchs.

10 Douglas is really dealing with voluntary self-reporting as opposed to our  
11 system where if you look at the claim elements 4, 5 and 6, it's the insurance  
12 company that's monitoring. So the idea I want you to keep in mind is  
13 monitoring versus reporting.

14 We monitor the prior art reports. Why is that distinction important? Well, I  
15 don't know about you, but I'm a little bit heavier than maybe I have in my  
16 profile than I would like at the doctor.

17 People tend to, when they go to self-report, exaggerate. They were at the gym  
18 longer, they did this better, they ate something more healthy, as opposed to us  
19 monitoring a facilities and claim elements 4, 5 and 6, that are managed by the  
20 health care provider.

21 Let me go up to those elements just to show you. So what's important here is  
22 not only do we define this opt in and opt out, which was really never addressed  
23 because of the new matter rejection, the defining offering monitoring, look  
24 who is doing that. It's not the physician. It's the health care company.

1 And it is making sure that they define these facilities, the service providers, the  
2 gyms. It's not any service provider. It can't be a service provider that isn't  
3 in-network, if you will. It has to be defined by the system. That's not shown  
4 in the Douglas not the Luchs reference.

5 I would like to go on and look at a couple other things that came up during the  
6 prosecution on this. The examiner, in the final office action, when looking at  
7 these elements, elements 4, 5 and 6 -- again, element 1 was really never  
8 addressed. It was a new matter rejection, never really given any probative  
9 weight even with a 132 affidavit.

10 And I'd just like to remind the Board that as I understand through the All  
11 Voice decision in KSR, Fujiko and All Voice, the examiner, if there is ipsis  
12 verbis support --

13 JUDGE CRAWFORD: Now, there's not a 112 rejection in here is there?

14 MR. GIBBONS: It's a new matter rejection.

15 JUDGE CRAWFORD: I'm seeing a 103 --

16 MR. GIBBONS: If you look at the appeal brief, please.

17 JUDGE CRAWFORD: I'm looking at the examiner's answer.

18 MR. GIBBONS: Okay. If you look at the appeal brief, please, and it looks at  
19 the issues.

20 JUDGE CRAWFORD: Now you are confusing me. The examiner has got  
21 103 rejections.

22 MR. GIBBONS: Sure.

23 JUDGE CRAWFORD: And doesn't he have a reference for this opt in, opt  
24 out?

1 MR. GIBBONS: He has a reference. He's using an identical reference. It's  
2 the Douglas reference.

3 And what he's saying in that reference is I have Douglas with Luchs, because  
4 Luchs teaches form processing, that I could have a mandatory field on a form.  
5 It doesn't talk about opting in or opting out at all. It just talks about form  
6 processing. And that's what he's using.

7 JUDGE CRAWFORD: So I understand that, but what I don't understand, how  
8 you are bringing the new matter in.

9 MR. GIBBONS: All I'm saying is this claim element, the wherein, is not  
10 addressed in -- by the examiner on where it is supported in the prior art, the  
11 wherein clause.

12 JUDGE CRAWFORD: Okay.

13 MR. GIBBONS: Does that help clarify it?

14 JUDGE MOHANTY: I'm getting a little bit confused too. Can you repeat  
15 that?

16 MR. GIBBONS: Sure. The wherein clause --

17 JUDGE CRAWFORD: Wherein default setting.

18 MR. GIBBONS: Thank you. The wherein default setting is where the opt in,  
19 opt out happens as managed by the health care provider.

20 JUDGE CRAWFORD: So then wouldn't you just argue that since the  
21 examiner hasn't addressed this under 103 that this is still a 103?

22 MR. GIBBONS: Absolutely.

23 JUDGE CRAWFORD: I'm getting confused with this new matter.

24 MR. GIBBONS: I'm sorry to do that.

25 JUDGE CRAWFORD: Okay. So you are saying that he hasn't addressed --

1 MR. GIBBONS: He hasn't addressed that. And obviously I'm a little nervous  
2 because you threw me off my game by saying I can't argue new matter in front  
3 of the Board.

4 So what I'm looking at is this wasn't addressed under 103. These were, the  
5 defining, the offering and the monitoring. But what he's using to address those  
6 is Douglas which is a physician system to report back from patients what they  
7 did, as opposed to our system which is managed by the health care provider to  
8 monitor what the patient did. That distinction is important for fraud  
9 prevention.

10 Secondly is the examiner -- and I can point you to the final office action and  
11 the examiner's answer, one second, please -- states that Douglas at column 19,  
12 lines 27, 28, can advise what to do with a patient.

13 It's not the same for a doctor to advise as it is the health care provider to  
14 monitor. Doctors advise all the time but they have different motivations on  
15 insurance reimbursement.

16 Also, on the final office action the doctor goes to -- the doctor can recommend  
17 what the correct course of action is for the health care provider -- I'm sorry,  
18 course of action for the health care recipient.

19 That, again, is not what we're doing. We're defining, we're offering and we're  
20 monitoring all by the health care provider. It is not a system where we are just  
21 reporting what's happening. And that's a distinction under 103 with that  
22 wherein clause.

23 Any questions?

24 JUDGE CRAWFORD: I don't have any.

25 MR. GIBBONS: Thank you very much.

Appeal No. 2010-008087  
Application No. 09/982,274

- 1 (Whereupon, the proceedings at 9:30 a.m., were concluded.)
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